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THE *Livestock* SITUATION

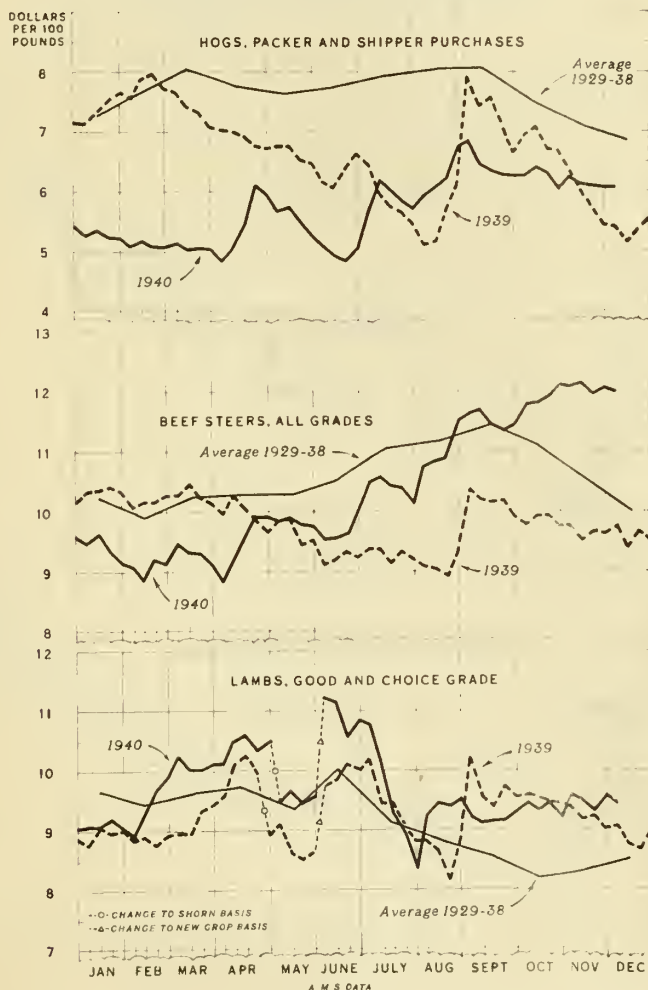
BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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DECEMBER 1940

PRICES OF SLAUGHTER LIVESTOCK AT CHICAGO.
AVERAGE 1929-38, AND 1939 TO DATE

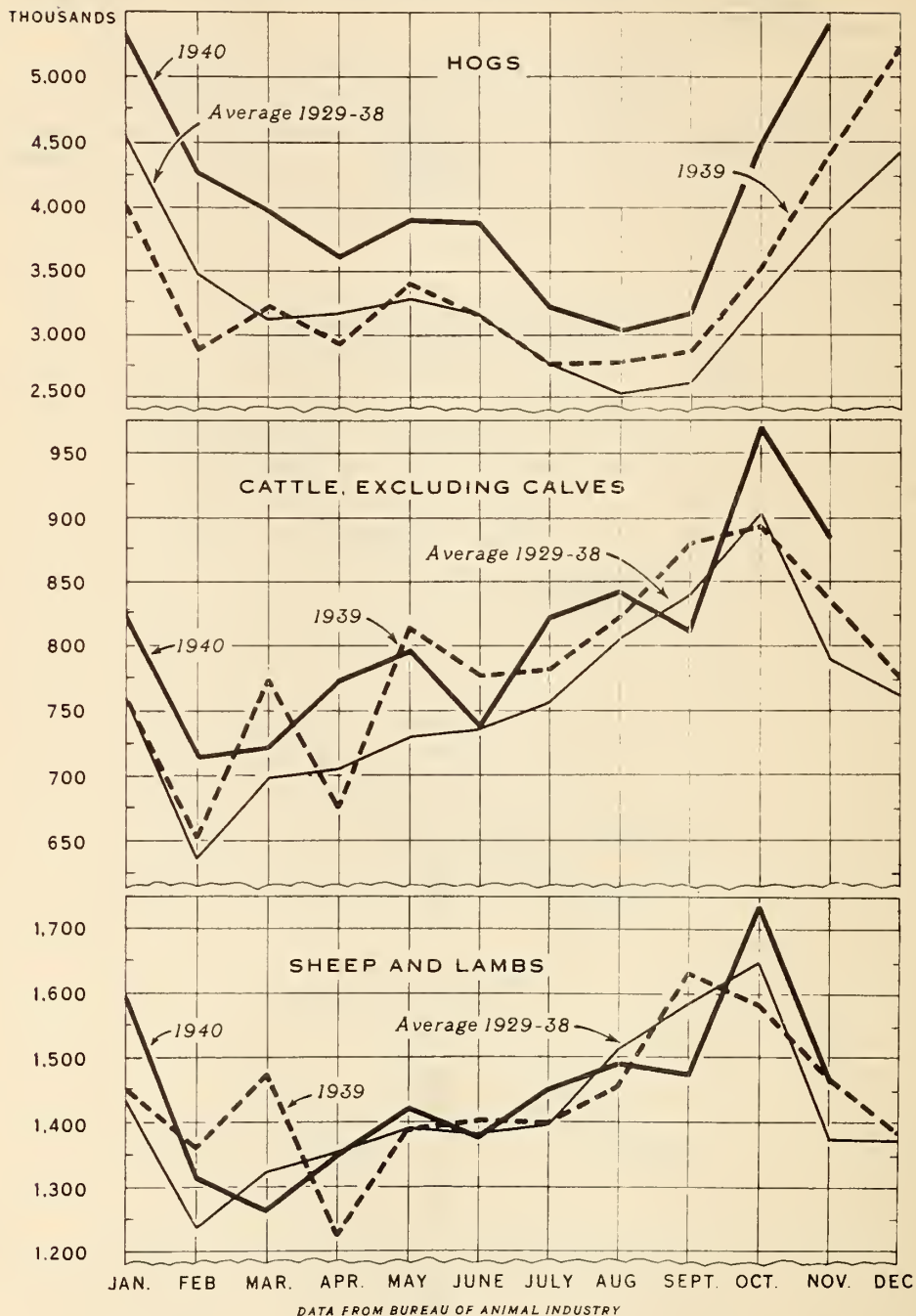


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IN VIEW OF THE LARGE VOLUME OF MARKETINGS, LIVESTOCK PRICES HAVE SHOWN CONSIDERABLE STRENGTH SINCE SEPTEMBER. HOG PRICES HAVE DECLINED MUCH LESS THAN THE USUAL SEASONAL AMOUNT. THE SUMMER ADVANCE IN PRICES OF SLAUGHTER STEERS HAS CONTINUED, AND LAMB PRICES HAVE STRENGTHENED MODERATELY. CONSUMER DEMAND CONDITIONS HAVE IMPROVED CONSIDERABLY IN RECENT MONTHS.

FEDERALLY INSPECTED SLAUGHTER OF LIVESTOCK, AVERAGE
1929-38, AND 1939 TO DATE



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FIGURE 1.- SLAUGHTER SUPPLIES OF HOGS HAVE INCREASED SHARPLY DURING THE PAST 2 MONTHS. DESPITE THE ESTIMATED 8 PERCENT REDUCTION IN THE 1940 SPRING PIG CROP, INSPECTED SLAUGHTER IN OCTOBER AND NOVEMBER WAS THE LARGEST FOR THOSE MONTHS ON RECORD. MARKETINGS OF CATTLE AND SHEEP AND LAMBS DECREASED SEASONALLY IN NOVEMBER, FOLLOWING SHARP INCREASES IN OCTOBER.

THE LIVESTOCK SITUATION

Summary

Despite a reduction of about 8 percent in the 1940 spring pig crop, hog marketings since October 1 - the beginning of the 1940-41 marketing season - have continued much larger than a year earlier. This together with slightly lighter weights in hogs slaughtered indicates that farmers are marketing their spring pig crop earlier than usual. This situation is expected to result in a greater and perhaps earlier than usual seasonal decrease in marketings during the late winter, and hog supplies during the second quarter of the marketing year (January-March) are expected to be materially smaller than a year earlier. Hog marketings in the late spring and summer will reflect the substantial reduction in the 1940 fall pig crop; and if the 1941 spring pig crop is reduced, as now seems likely, hog supplies throughout 1941 will be materially smaller than in 1940.

Indications now are that the total number of cattle fed during the 1940-41 feeding season will be somewhat larger than a year earlier. The total number fed in the Corn Belt will not differ greatly from a year earlier; an increase in feeding operations in the Western Corn Belt will be about offset by a decrease in the Eastern Corn Belt. The number of cattle fed in the Western States, including Texas and Oklahoma, will be larger than a year earlier, however.

The number of lambs fed during the 1940-41 feeding season also will be larger than a year earlier. Practically all of the increase over last season will be in the Western Corn Belt States; the number of lambs fed in the Eastern Corn Belt may differ little from a year earlier, but lamb

feeding operations in the Western States and other States outside the Corn Belt will show a small decrease from 1939-40.

On account of exceptionally heavy marketings of hogs, meat production under Federal inspection during November was one of the largest for the month on record. Slaughter of cattle and calves was reduced seasonally during November but continued larger than a year earlier. Sheep and lamb slaughter decreased sharply from October but was little different from November last year. The continued increase in the weekly rate of hog marketings raised inspected hog slaughter for November to 5.4 million head, the largest on record for the month.

Livestock prices have shown considerable strength during recent weeks in view of the exceptionally large volume of marketings. Hog prices have declined considerably less than the usual seasonal amount since mid-September and are now higher than a year earlier. The summer and early fall advance in prices of slaughter steers has been well maintained, and lamb prices have shown a moderate upward trend since late summer. This strength in livestock prices has been due chiefly to improvement in consumer demand conditions during recent months. Present indications are that incomes of consumers will continue to improve in 1941, and with prospects for only moderate changes in supplies of cattle and lambs and a material reduction in hog supplies next year, prices of all livestock are expected to average higher in 1941 than in 1940.

-- December 18, 1940

REVIEW OF RECENT DEVELOPMENTS

HOGS

Hog prices remain steady despite heavy marketings

Hog prices have declined relatively little in recent weeks, despite the exceptionally large marketings of the past 2 months. After reaching

the highest level so far this year in early September, they declined about 75 cents during the remainder of the month. Since then they have fluctuated relatively little and have shown only a slight downward tendency. Ordinarily hog prices decline fairly sharply from September to December as marketings increase seasonally. This year, however, prices have been supported by a considerable improvement in consumer demand since mid-summer.

The average price of butcher hogs at Chicago for the week ended December 14 was \$6.15, compared with \$6.15 a month earlier, \$6.55 in mid-October, and \$6.85 for the peak week in September. Hog prices in mid-December were nearly \$1.00 higher than a year earlier, the sharp decline of last fall having carried hog prices to near the \$5.00 level by mid-December 1939.

Corn prices changed relatively little during November but declined moderately in early December. The hog-corn price ratio continued unfavorable for hog production. The ratio of the average price of all hogs to the price of No. 3 Yellow corn at Chicago for the week ended December 14 was 10.0, compared with 9.2 a year earlier and the long-time average of 11.6.

November hog slaughter largest for the
month on record

The weekly rate of hog marketing continued to increase seasonally during November, and Federally inspected slaughter for the month totaled 5,419,000 head, 21 percent more than in October and 22 percent more than in November last year. It was the largest inspected slaughter for November on record. The number of hogs slaughtered under Federal inspection during the first 2 months (October-November) of the current marketing year totaled 9.9 million head, 24 percent more than in the corresponding period of 1939.

Average live weights of hogs marketed decreased a little further during the past few weeks as the proportion of packing sows in total marketings continued to decrease seasonally. The average live weight of hogs slaughtered under Federal inspection during October and November was 2 to 3 pounds per hog lighter than a year earlier, but it was a little heavier than the average of recent years for these months.

Storage stocks of pork increased seasonally
during November

Storage stocks of pork were increased by approximately 100 million pounds during November. This in-storage movement was somewhat larger than usual for November, a result of exceptionally heavy marketings of hogs during the month. Storage holdings of pork on December 1 totaled 406 million pounds, 74 million pounds more than on December 1 last year and 27 million pounds more than the 1934-38 average for that date. Included in the December 1 holdings of pork were nearly 31 million pounds owned by the Surplus Marketing Administration.

Lard stocks were increased by about 13 million pounds during November. Cold storage holdings on December 1, totaling 236 million pounds,

were about 2-1/2 times larger than a year earlier and were the largest for that date on record. Included in the December 1 storage holdings of lard were nearly 40 million pounds owned by the Surplus Marketing Administration and 4,500 pounds of rendered pork fat. (Rendered pork fat is now distinguished from lard under the new definitions of the two products produced under Federal inspection. See August issue of The Livestock Situation, pages 6-7).

Storage holdings of pork and lard on the first of the month, average 1934-35 to 1938-39, 1939-40, and current marketing year

Month	Pork			Lard 1/		
	Average			Average		
	1934-35	1939-40	1940-41	1934-35	1939-40	1940-41
	to			to		
	1938-39			1938-39		
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Oct.	344.6	300.2	329.2	87.6	78.8	235.7
Nov.	323.7	272.7	303.7	69.6	68.7	223.2
Dec.	378.9	332.3	2/ 405.8	71.8	89.0	2/ 236.3
Jan.	502.0	469.5		95.6	162.1	
Feb.	584.6	588.6		120.5	202.2	
Mar.	603.7	650.7		126.7	256.6	
Apr.	580.1	652.7		129.9	268.8	
May	561.3	612.0		129.1	266.1	
June	515.7	592.6		129.4	283.9	
July	474.7	598.5		130.2	306.8	
Aug.	422.6	548.7		121.2	303.2	
Sept.	361.9	417.6		101.8	272.3	

1/ Includes rendered pork fat.

2/ Preliminary.

Exports of pork and lard continue small in October

Exports of pork during October totaled 3.8 million pounds, compared with 3.9 million pounds in September and 6.6 million pounds in October last year. No shipments to European countries were reported for the month, and as in other recent months the bulk of the exports consisted of relatively small shipments to several Latin American countries. Exports of lard, totaling 10.2 million pounds in October, were little different from a month earlier, but were nearly 50 percent smaller than in October last year. Exports to Europe were negligible, shipments to Mexico and Cuba accounting for around three-fourths of the total.

Exports of pork to Canada during October amounted to nearly 1.5 million pounds, about 40 percent of the total United States exports for the month. Shipments of fresh and frozen pork, which have been limited by quota to 1.6 million pounds per month since last February, totaled only 670,000 pounds. In no month since the quota has been in effect have United States exports of fresh and frozen pork to Canada been as large as the

maximum quantity allowed. Exports of lard to Canada during October were negligible, as has been the case in each month since last January. United States imports of pork from Canada during the month were fairly large compared with preceding months of this year; they amounted to less than 500,000 pounds, however.

Canada to increase bacon shipments to
Great Britain in 1940-41

In late 1939 an agreement was concluded by the Canadian Government and the British Food Ministry whereby Canada would provide bacon for export to Great Britain at a rate ranging between 4.4 and 5.6 million pounds per week through October 1940. (See February 1940 Livestock Situation, pages 16-19). Canadian hog production increased sharply in 1939-40 and in the 12 months November 1939 to October 1940 shipments of bacon and hams to the United Kingdom totaled 330 million pounds, about 39 million pounds more than the maximum amount specified in the 1939 Anglo-Canadian agreement.

The 1939 bacon agreement has now expired and a new one covering the period November 1, 1940 to October 30, 1941 has been concluded. Under the terms of this agreement Canadian shipments of bacon and hams to Great Britain will be increased to the weekly rate of 8,185,000 pounds. This quantity is equivalent to an annual total of 425.6 million pounds - nearly 2-1/2 times more than bacon exports to the United Kingdom during the calendar year 1939 and nearly 50 percent larger than the maximum weekly rate specified in the preceding agreement. The new agreement also includes around 10 million pounds of miscellaneous pork products to be shipped during the 12-month period.

Although bacon and ham exports of over 400 million pounds may represent close to 35 percent of the total Canadian production of hog products during the November-October 1940-41 period, curtailment of pork consumption in Canada is not expected. Canadian hog production has increased sharply since 1938, and it is apparent that hog slaughter in 1940 will be much larger than in 1939 and the largest on record. The increase in hog production during the past 2 years has resulted chiefly from relatively high hog prices, abundant feed supplies, and a favorable ratio of hog prices to feed prices. The fixed schedule of prices on bacon sold to the British Government was reduced about 1-1/2 cents per pound in the new agreement, and this probably will be reflected in a moderately lower level of hog prices in 1941 than in 1940. If feed prices do not change much from current levels, it would be necessary for hog prices to decline considerably before the hog-feed price ratio in Canada would become unfavorable to hog production, however. The 1940-41 feed supply is fairly large, and it is estimated that the number of hogs marketed in 1941 will show an increase of about 25 percent over the 1940 figure.

It is estimated by Canadian officials that the quantity of pork products to be shipped to Great Britain under the terms of the new agreement will about equal the amount that will be produced above domestic requirements during 1941. Although the new agreement provides for a moderately lower level of prices, the total value of pork products to be exported to

Great Britain from November 1, 1940 to October 30, 1941 is expected to equal about 69 million dollars, around 10 million dollars more than the value of pork products exported to Great Britain under the old agreement.

CATTLE

Prices of top grade steers weakened in mid-December

Prices of the top grades of slaughter steers weakened a little in the second week of December, after advancing around \$3.00 since late summer. In early December the spread between prices of the upper and lower grades of slaughter steers was wider than it had been at any time since 1937. The average price of choice and prime grade beef steers at Chicago for the week ended December 14 was \$13.80, compared with \$13.60 a month earlier and \$10.25 in the corresponding week of 1939. Prices of medium and common grades of slaughter cattle in mid-December were only a little higher than a year earlier.

Marketings of slaughter cattle have been a little larger this fall than last, but this has been more than offset by stronger consumer demand conditions than a year earlier. Consequently the seasonal increase in prices of the upper grades of slaughter cattle since mid-summer has been more pronounced and has continued longer than usual, whereas the seasonal decline in prices of the lower grades has been negligible. The average price of feeder cattle at Kansas City for the week ended December 14 was \$8.65. Prices of feeder cattle during the past 3 or 4 months have averaged around 50 cents higher than the \$8.00 level which prevailed during the fall of 1939.

Cattle slaughter reduced seasonally in November

Marketings of cattle and calves were reduced seasonally during November but continued larger than a year earlier. Inspected cattle slaughter for the month totaled 884,000 head, 9 percent less than in October but 6 percent more than in November last year. Inspected calf slaughter totaling 462,000 head was also smaller than a month earlier but larger than in November last year. Inspected cattle slaughter in the first 6 months (January-June) of 1940 was 2-1/2 percent larger than a year earlier; so far in the last half of the year (July-November) it has totaled about 3 percent larger than in the corresponding period of 1939.

Cattle imports increased sharply in October

Imports of cattle increased sharply in October, the usual seasonal pattern for the first month of the quarter since the conclusion of the 1938 trade agreement with Canada. Total imports of cattle and calves for the month amounted to a little over 64,000 head. Almost all of the increase over a month earlier was in imports from Mexico, which totaled nearly 44,000 head compared with 9,000 head in September. Imports from Canada totaling nearly 21,000 head were only slightly larger than a month earlier.

Imports of cattle weighing over 700 pounds (exclusive of dairy cattle), to which the quarterly quota of the trade agreement with Canada applies, totaled a little over 27,000 head, compared with 12,000 head in September and nearly 23,000 head in October last year. About half of the number came from Mexico and half from Canada. Imports of this class of cattle from Mexico amounted to less than 100 head in September. Imports of non-quota cattle weighing under 700 pounds totaled 31,000 head in October. Imports of such cattle from Mexico were about three times greater than in September, whereas imports from Canada were smaller than a month earlier. Total imports of cattle so far this year (January-October) have been smaller than in the corresponding period of 1939.

Cattle imports from Canada, Mexico, and all countries, by weight groups, and imports of beef and veal, January-October 1936-40

Cattle										Beef and veal,	
										total all	
										countries	
Period:	Canada		Mexico		All countries					Beef	
	700		700		700					Canned	and veal
	Under 700 lb.	All cattle	Under 700 lb.	All cattle	Under 700 lb.	All cattle				beef	fresh,
	700 lb. and over		700 lb. and over		700 lb. and over					2/	pickled
	1/		1/		1/						and
	1/		1/		1/						cured
	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Mil. lb.	Mil. lb.
Jan.-											
Oct.											
1936	82	135	231	129	21	151	212	156	383	82	5
1937	123	156	293	151	25	186	234	181	481	78	6
1938	47	51	111	190	36	226	238	87	338	66	3
1939	88	155	257	360	54	415	443	209	673	78	4
1940	79	102	200	300	44	345	380	146	544	54	10

1/ Exclusive of cattle imported for dairy purposes.

2/ Actual weight of imports, chiefly from Argentina, Uruguay, Brazil, and Chile

LAMBS

Lamb prices weakened in early December

Prices of slaughter lambs weakened a little in early December; they have followed a moderate upward trend since mid-September, however, and for the past several weeks have averaged higher than a year earlier. The average price of good and choice grade slaughter lambs at Chicago for the week ended December 14 was \$9.35, compared with \$9.50 a month earlier and \$8.75 in the corresponding week of 1939. For the entire grass-lamb marketing season (May-November) the average United States price received by farmers for lambs was about \$7.30, 30 cents higher than in the corresponding period of 1939. Prices of feeder lambs this fall have averaged around 25 cents higher than a year earlier.

Marketings of sheep and lambs reduced
sharply in November

Marketings of sheep and lambs were reduced sharply in November, following large marketings in the preceding month. Federally inspected slaughter of sheep and lambs in November totaled 1,462,000 head, 16 percent less than a month earlier but only slightly less than in November last year. For the entire grass-lamb marketing season (May-November) inspected slaughter of sheep and lambs totaled 10,400,000 head, about 1 percent more than in the corresponding period of 1939.

CUTLOOK - HOGS

BACKGROUND.-- Hog production increased sharply in 1938 and 1939 after having been greatly curtailed from 1935 through 1937 as a result of reduced feed supplies. The 1939 pig crop was the largest in the 16 years of record. It was 19 percent larger than the 1938 crop and about 50 percent greater than the small crop of 1935. As a result of the large number of hogs raised in 1939, inspected hog slaughter in the 1939-40 season increased to 47.6 million head, 20 percent more than a year earlier and the largest inspected slaughter since 1928-29. Since late 1939 the ratio of hog prices to corn prices has been unfavorable to hog production, and the 1940 spring pig crop was reduced about 8 percent under that of a year earlier.

The outlook for hogs has not changed greatly during the past few months, and the important features in the outlook as given in recent issues of The Livestock Situation are summarized and brought to date in the following points:

1. The combined 1940 spring and fall pig crop is expected to be around 75.8 million head, 10 percent smaller than the 1939 crop of 84.3 million head. (The official estimates of the 1940 fall pig crop will be released by the Agricultural Marketing Service on December 23). This reduction in the number of pigs raised will be reflected in a substantial reduction in the total number of hogs slaughtered during the 1940-41 marketing year. This together with stronger consumer demand conditions is expected to result in a materially higher level of hog prices in 1940-41 than a year earlier.
2. Despite the reduction of about 8 percent in the 1940 spring pig crop, inspected hog slaughter in the first 2 months (October-November) of the 1940-41 marketing season was 24 percent larger than a year earlier. This indicates that farmers have been marketing their 1940 spring pig crop earlier than they have for several years. Consequently the seasonal reduction in marketings later this winter will be more pronounced and perhaps earlier than usual; it probably will be accompanied by a fairly sharp advance in prices, particularly if consumer demand conditions continue to improve as now seems likely.

3. Present indications point to about a 12-percent reduction in the 1940 fall pig crop from that of a year earlier. This reduction will be reflected in a similar decrease in market supplies late next spring and summer from those of a year earlier, and will be a supporting factor to hog prices in that period.
4. The ratio of hog prices to corn prices has been unfavorable to hog production since late 1939. Ordinarily an unfavorable hog-corn price ratio during and preceding the fall and winter breeding season is reflected in a reduction in the spring pig crop of the following year. Consequently present indications point to some further reduction in the spring pig crop of 1941. Should farmers be influenced by the prospects for a considerable improvement in hog prices within the next few months, however, it is not too late for production plans to be altered. The number of sows bred for late spring farrow might be increased. In addition many farmers follow the practice of marketing piggy sows; a greater than usual proportion of these sows could be held back for farrowing next spring.
5. With prospects for a favorable hog-corn price ratio in the coming spring and summer, the 1941 fall pig crop may be larger than that of 1940. This increase is not expected to offset the prospective decrease in the spring crop, however, and market supplies of hogs in 1941-42 probably will be no larger than in the current marketing year and they may be somewhat smaller. A favorable hog-corn price ratio during the last half of 1941 would be reflected in increased hog production in 1942, and present indications point to increased hog supplies by 1942-43.
6. There are little prospects for improvement in the export demand for United States pork and lard in 1941 over 1940. But since exports have been small in the past few years, weakness in the export demand for hog products will not be an important price-depressing factor during the coming year.

OUTLOOK - CATTLE

BACKGROUND.- From early 1934 to early 1938 cattle numbers in the United States were greatly reduced, largely as a result of the severe droughts of 1934 and 1936. Slaughter of cattle and calves was relatively large during this period. Since 1938 cattle numbers have again increased, and as a result of the holding back of breeding stock for herd-building purposes, slaughter of cattle and calves was reduced moderately in 1938 and 1939. Thus far in 1940 it has been only a little larger than in 1939.

Cattle feeding situation

According to information released by the Agricultural Marketing Service in mid-December, the most important development in the cattle feeding situation during November was the sharp decrease in the movement of stocker and feeder cattle into the Corn Belt States. November was the only month in the 5 months July through November, when shipments were smaller than a year earlier, and the decrease in shipments from October to November was much larger than usual.

Despite this decrease in November shipments to the Corn Belt, it still seems probable that the total number of cattle fed this season will be somewhat larger than the number fed last year. Reports from the Western States indicate that feeding in that area will be larger this season than last, and increases also are expected in Texas and Oklahoma. Cattle feeding in the Corn Belt may be little different from what it was last year, with larger operations in the States west of the Mississippi River at least offsetting the decrease in the States east of the River.

The number of stocker and feeder cattle inspected at stockyards for shipment into the Corn Belt States in November was 25 percent smaller than a year earlier and, except for the drought years 1934 and 1936, was the smallest on record for the month. Unusually cold weather during the first half of the month was partly responsible for the small movement. For the 5 months July through November, the total inshipments from stockyards was about 2 percent larger this year than last and was the largest for the period since 1924.

Available records covering direct shipments into the Corn Belt States also show a sharp decline in the November movement from a year earlier. For the 5 months July through November, the total of direct shipments into the Corn Belt apparently was somewhat smaller this year than last; and for this period the total of all inshipments both from stockyards and direct was about the same as that of last year.

Reports from the 11 Western States show that cattle feeding in that area as a whole will be larger than it was last season, with the total number fed the largest on record. The number fed in the four Rocky Mountain States will be smaller this year - the result of a probable decrease of 10 to 15 percent in Colorado. Preliminary surveys in the seven States west of the Continental Divide show larger numbers on feed about December 1 in five States, a decrease in one and one unchanged. Most of the increase is in California and Arizona. Cattle feeding operations in Texas and Oklahoma also are reported to be larger this year than last.

Records from four leading middle western stockyard markets show that total shipments of stocker and feeder cattle from those markets for the 5 months July through November were about 1 percent smaller this year than last. The total number of steers was larger, with increases in weight groups 500 to 700 and 701 to 800 pounds, but with decreases in all the heavier weight groups, especially in those over 1,000 pounds. The numbers of feeder calves and of cows and heifers were both smaller this year.

Feeder cattle have cost farmers a little more this fall than last, but with prospects for continued improvement in domestic demand conditions, the general level of cattle prices is expected to average materially higher in 1941 than in 1940. Present indications point to little change from a year earlier in marketings of fed cattle during the first half of 1941, but supplies may be somewhat larger than a year earlier during the last half of the year. Consequently the seasonal decline in prices of the better grades of slaughter cattle during the coming winter and spring may not be so great as usual, while the seasonal advance in the late summer and fall of 1941 may be less pronounced than the rise in prices that has taken place since August this year.

Condition of range cattle good in
early December

Except for limited areas, there is a good supply of winter grass and forage on the western ranges this year. November storms and snow caused some shrinkage in the condition of range cattle, but losses, even in the severe storm areas, were very light. The fall movement of cattle from western ranges is about over, and it is reported that cattle in the Range States are going into the winter in the best condition in several years.

OUTLOOK - LAMBS

BACKGROUND.- The total number of stock sheep and lambs on farms and ranches has not fluctuated greatly during the past 10 years, although there has been a slight upward trend since about 1935. The lamb crop in the Western Sheep States also has increased moderately since 1935, but the crop in the Native Sheep States has changed very little since 1931. The 1940 lamb crop totaled 32.7 million head; it was 3 percent larger than a year earlier and the largest crop on record.

Lamb feeding situation

The number of lambs fed during the 1940-41 feeding season will be larger than a year earlier, according to information recently released by the Agricultural Marketing Service. Practically all of the increase over last season will be in the Western Corn Belt States; the number of lambs fed in the Eastern Corn Belt may differ little from a year earlier, but lamb feeding operations in the Western States and other States outside the Corn Belt will show a small decrease from 1939-40.

Total shipments of feeder lambs into the Corn Belt States decreased sharply in November. The number inspected at stockyard markets was 25 percent smaller than in November 1939, and was the second smallest for the month on record. For the 5 months July through November, the number of sheep and lambs inspected at public stockyards for shipment into Corn Belt States was about the same as a year earlier. Direct shipments into these States in November declined much less than market shipments and for the 5-months period were materially larger than in the corresponding period last year.

Total shipments of feeder lambs into the Corn Belt States during the 5 months July through November were the largest on record, with record shipments into Ohio, Wisconsin, Minnesota, Iowa, and Kansas. Shipments into Indiana and Illinois, although below those of last year, were much above average. Missouri and Nebraska were the only States showing inshipments materially smaller than those of last year, and below average.

The number of lambs fed in the Scottsbluff area of Nebraska will be 20 to 25 percent smaller this year than last, and there will be some decrease in the Central Platte Valley area, but the number fed in other areas will be larger. Shipments of lambs to wheat pastures in Kansas were of record size, probably reaching half a million head. In general these lambs have done well although wet fields were a handicap in some areas. Fairly heavy marketings of slaughter lambs in December are expected, and many of these lambs may be moved to feed lots in Kansas and other States after January 1.

The number of lambs fed in the Western States will be smaller this year than last, largely as a result of the sharp reduction in Colorado. The movement of feeder lambs to Colorado feeding areas to December 1 indicates that feeding in that State may be 15 to 20 percent smaller than it was last year and one of the smallest in 25 years. The largest reductions from last year are in northern Colorado, especially in the Fort Collins Section and in the San Luis Valley. Numbers are down some in the Arkansas Valley, little changed in the Western slope area, and are larger this year than last in the Eastern dry land area, where wheat pastures have been good. In the other Rocky Mountain States the total will be little different from that of last year, with increased numbers in Montana and New Mexico probably more than offsetting a decrease in Wyoming.

The total number of lambs fed in the States west of the Continental Divide will be a little larger this season than last, with increases in Utah, Nevada, and Washington totaling more than reductions in Oregon and California.

A material increase in lamb feeding in Texas is expected this year. There has also been a record movement of feeder lambs from Texas direct to feeding areas in other States this season. During the 4 months July through October, over one million head of sheep and lambs were billed from Texas to points other than stockyards in other States. A large part of the lambs on Kansas wheat pastures are of Texas origin. Slaughter supplies of lambs during the current fed-lamb marketing season (December 1 to May 1) will probably include a larger proportion of Texas raised lambs than ever before.

Slaughter supplies of fed-lambs expected to be
a little larger than a year earlier

Slaughter supplies of lambs during the 1940-41 fed-lamb marketing season (December-April) will be a little larger than in that period last year, as a result of the increased feeding operations this fall and winter compared with a year earlier. The increase will not be large, however. The

1940 lamb crop was only 3 percent (about 900,000 head) larger than the 1939 crop, and a portion of this increase already has been reflected in slightly larger (about 1 percent) slaughter than a year earlier during the grass-lamb marketing season (April-November). In addition, most of the increase in the 1940 lamb crop was in Texas, where a considerable proportion of the crop is usually held for marketing in the late spring as shorn yearlings.

Prices of lambs during the next few months will be supported by stronger consumer demand for meats and higher prices for wool than a year earlier. So far, the improvement in domestic demand conditions since last summer has not given as much support to prices of lambs as to prices of other livestock. May be that most of the improvement in consumer purchasing power has been in those groups not accustomed to purchasing the relatively expensive meats such as lambs.

THE WOOL SITUATION 1/

Under the stimulus of large orders for Army materials, domestic mill consumption of apparel wool has reached the highest level since 1918 and is likely to continue at a high level into 1941. The high rate of consumption in prospect will tend to support prices of domestic wools. But with imports entering the United States in relatively large quantities, prices of domestic wools in the next several months will be influenced to a considerable extent also by the prices paid for imported wools.

United States imports of apparel wool for consumption totaled 158.5 million pounds in the first 10 months of this year. The January-October imports were larger than those for the same months of any recent year. Imports of apparel wool in October, amounting to 25.6 million pounds, were the largest monthly total since early 1937.

Mill consumption of apparel wool in the United States in October continued the improvement which began in May. Consumption was 15 percent larger than a year earlier, and the monthly total was the largest since June 1918. Consumption on a scoured basis in the first 10 months of this year was about the same as in the corresponding period last year.

On November 20 bids were invited for substantially all wool goods to be purchased by the Army during the remainder of the fiscal year ending June 30, 1941. It is roughly estimated that the new orders will require 30 to 40 million pounds of grease wool. Total wool fabrics ordered for the Army from June 1, 1940 to June 30, 1941 probably will require about 200 million pounds of wool, greasy shorn basis, chiefly fine domestic wools.

Production of wool in the five principal producing countries of the Southern Hemisphere in 1940-41 is estimated to be about 4 percent smaller than in 1939-40, but about 5 percent larger than the average for the 5 years 1934-38. Most of the apparel wool entering international trade is produced in these countries. The decline this year is chiefly in Australia, where almost half of the Southern Hemisphere clip is produced. The carry-over of wool into the current season in the Southern Hemisphere was somewhat larger than that of a year earlier.

1/ Summary of the December 1940 issue of The Wool Situation. For detailed information, copies of this publication can be obtained upon request from the Division of Economic Information, B.A.E., Washington, D. C.

Supplies of hogs and hog products, specified periods

Item	Unit	Oct. - Sept.						
		Oct.	Sept.	Oct.	Average:	Oct.	Sept.	
		1939	1940	1940	1928-29:1937- to 38	1938- 39	1939- 40	
					1932-33:			
Hog slaughter under :								
Federal inspection:	Thou-							
No. slaughtered <u>1</u> /:	sands	3,545	3,168	4,483	46,363	34,580	39,720	47,651
Live weight:								
Average	Lb.	227	232	225	231	234	234	234
Total	Mil. lb.	806	734	1,008	10,723	8,089	9,311	11,142
Total dressed wt. :	" "	601	540	747	8,069	6,046	6,975	8,303
Yield of lard per :								
100 lb. live wt. :								
of hogs	Lb.	<u>2</u> /12.4	11.5	11.4	15.2	<u>2</u> /11.9	<u>2</u> /12.8	<u>2</u> /13.2
Production of lard:	Mil. lb.	<u>2</u> / 100	84	115	1,630	<u>2</u> / 958	<u>2</u> /1,187	<u>2</u> /1,485
Exports: <u>3</u> /								
Pork	" "	7	4	4	211	89	125	115
Lard	" "	19	10	10	657	208	270	232
Imports of pork <u>3</u> /	" "	1	<u>4</u> /	<u>4</u> /	6	57	50	7
Proportion of sows :								
in inspected :								
slaughter <u>5</u> /	Pct.	48.0	54.7	50.2	51.2	49.9	49.3	50.0

Compiled from reports of Agricultural Marketing Service, except as specified.
 1/ Bureau of Animal Industry. 2/ Revised figures based on the amount of lard rendered in federally inspected plants as reported by the Bureau of Animal Industry. 3/ United States Department of Commerce. Pork includes bacon, hams, and shoulders, and fresh, canned and pickled pork. Lard includes neutral lard.
 4/ Less than 500,000 pounds. 5/ Includes gilts.

Prices of hogs and hog products, specified periods

Item	Unit	Nov. 1939	Oct. 1940	Nov. 1940	Oct.-Sept.			Oct.-Nov.	
					Average:				
					1928-29	1938-39	1939-40	1939-40	1940-41
					to	39	40	40	41
					1932-33				
Av. price, all purchases:	Dol. per:								
Seven markets	100 lb.	5.77	6.03	5.89	<u>1</u> / ₂	6.85	5.54	6.22	5.96
Chicago	" "	5.97	6.25	6.11	6.99	7.00	5.69	6.41	6.18
Av. price of barrows and									
gilts, Chicago	" "	6.04	6.35	6.16	<u>1</u> / ₂	7.23	5.86	6.54	6.26
United States average price:									
received by farmers	" "	5.87	5.83	5.62	6.48	6.70	5.44	6.20	5.72
Av. price of No. 3 Yellow	Ct. per:								
corn, Chicago	bu.	50	64	64	62	49	60	49	64
Hog-corn price ratio:									
Chicago <u>2</u> / ₃	Bu.	12.0	9.7	9.5	11.6	14.4	9.6	13.1	9.6
N. Central States	"	13.9	10.5	10.4	12.9	16.6	10.6	14.8	10.4
Proportion of packing sows:									
in total packer & shipper:									
purchases, 7 markets <u>3</u> / ₄ ..	Pct.	8.0	12.0	7.0	<u>1</u> / ₂	13.0	12.0	10.0	10.0
Av. weight at 7 markets	Lb.	233	231	226	<u>1</u> / ₂	247	244	234	228

Compiled from reports of Agricultural Marketing Service. 1/ Not available.
 2/ Number of bushels of corn equivalent in value to 100 pounds of live hogs.
 3/ Monthly figures computed from weekly averages.

Slaughter and market supplies of cattle and calves, specified periods

Item	Unit	Year		Month				
		Average:		1939		1940		
		1924-33:	1939	Oct.	Nov.	Sept.	Oct.	Nov.
Slaughter under Federal inspection:								
Number slaughtered:	Thou-							
Cattle 1/	sands	8,850	9,446	893	837	812	968	884
Calves 1/	"	4,819	5,264	482	450	412	507	462
Cows and heifers 2/	"	4,181	4,446	466	428	387	504	
Steers 2/	"	4,340	4,588	392	379	386	422	
Average live weight:								
Cattle	Pounds	953	943	940	951	924	931	
Calves	"	176	191	211	203	216	213	
Total dressed weight:								
Cattle	Mil. lb.	4,532	4,803	444	422	404	473	
Calves	" "	487	559	55	50	49	59	
Inspected shipments: 1/	Thou-							
Feeder cattle and calves	sands	2,894	3,173	595	422	517	633	
Imports:								
Cattle 3/	"	253	764	61	62	30	64	
Canned beef 4/	Mil. lb.	5/ 36	86	8	4	4	3	

Compiled from reports of Agricultural Marketing Service, except as specified.
 1/ Bureau of Animal Industry. 2/ Also included in cattle slaughter. 3/ United States Department of Commerce. General imports prior to 1934; beginning January 1, 1934, imports for consumption. 4/ United States Department of Commerce. Imports for consumption. 5/ Figures include "other canned meats" prior to 1929.
 Note: September 1940 figures for calves revised from those published in the preceding two issues.

Price per 100 pounds of cattle and calves, November 1940, with comparisons

Item	Nov.	Nov.	Nov.	Sept.	Oct.	Nov.
	average:	Nov.	Nov.	Sept.	Oct.	Nov.
	1924-33:	1938	1939	1940	1940	1940
Beef steers sold out of first hands at Chicago:	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Choice and Prime	12.18	11.83	10.24	12.53	13.11	13.59
Good	10.62	9.99	9.52	11.15	11.72	11.73
Medium	8.77	8.30	8.59	9.08	9.54	9.45
Common	7.05	6.96	7.30	7.12	7.08	7.49
All grades	9.94	10.03	9.63	11.50	11.87	12.06
Cows, Chicago:						
Good	1/6.35	6.76	6.79	7.33	7.11	7.32
Low Cutter and Cutter	2/3.72	4.42	3/4.64	3/4.60	3/4.74	3/5.04
Vealers, Chicago:						
Good and Choice	9.87	9.43	9.91	11.58	10.93	10.52
Stocker and feeder steers, Kansas City:						
Average price all weights	4/7.26	7.77	7.95	8.41	8.52	8.81
Average price paid by packers:						
All cattle	6.66	6.94	7.28	8.21	7.83	
Steers	5/	8.90	9.05	10.20	10.21	
Calves	7.84	7.51	7.66	8.38	8.00	

Compiled from reports of Agricultural Marketing Service. 1/ Good and Choice, 1924-27. 2/ Canner and cutter, 1924-June 1926. 3/ Average of Cutter and Common, and Canner. 4/ Average 1925-33. 5/ Not available.

Supplies of sheep and lambs, specified periods

Item	Unit	Year		Month					
		Av. 1924-33	1939	1939		1940			
		Oct.	Nov.	Oct.	Nov.	Sept.	Oct.	Nov.	
Slaughter under Federal inspection									
Sheep and lambs:									
Number slaughtered 1/	Thou.-sands	14,737	17,241	1,417	1,184	1,585	1,469	1,473	1,734
Average live weight	Lb.	81	86	80	82	84	87	83	86
Average dressed weight	"	39	40	38	39	39	40	40	40
Total dressed weight	Mil. lb.	569	694	54	46	62	59	58	70
Lambs and yearlings:	Thou.-sands								
Number slaughtered		13,678	16,137	1,314	1,096	1,450	1,373	1,359	1,591
Percentage of total sheep and lambs	Pct.	92.3	93.6	92.7	92.6	91.5	93.5	92.2	91.8

Compiled from reports of Agricultural Marketing Service, except as specified.
 1/ Bureau of Animal Industry. Note: Figures for September 1940 revised from those published in the preceding two issues.

Prices per 100 pounds of sheep and lambs, by months, September-November 1938-40

Item	1938			1939			1940		
	Sept.	Oct.	Nov.	Sept.	Oct.	Nov.	Sept.	Oct.	Nov.
Slaughter lambs:	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Chicago-									
Good and choice 1/	8.05	8.24	8.84	9.73	9.52	9.25	9.14	9.34	9.49
Slaughter ewes:									
Chicago-									
Common and medium	2.50	2.48	2.80	2.81	2.80	2.86	2.38	2.92	3.26
Feeding lambs, Omaha:									
Good and choice	7.11	7.37	7.84	8.33	8.50	8.41	8.55	8.73	8.62
Average price paid by packers:									
Sheep and lambs	7.29	7.28	7.90	8.42	8.23	8.26	8.30	8.29	
Average price received by farmers:									
Sheep	3.38	3.36	3.53	3.80	3.92	3.83	3.68	3.72	3.88
Lambs	6.46	6.37	6.82	7.57	7.60	7.48	7.59	7.64	7.78

Compiled from reports of Agricultural Marketing Service.

1/ Lots averaging within top half of good grade.

Index numbers of income of industrial workers, and cash income from meat animals, specified periods

Item	Calendar year:							
	1938	1939	1939	1940	1939	1940	1940	
Income of industrial workers (1924-29 = 100)	73	83	81	91	91	97	1/ 99	
Cash farm income from meat animals: (1924-29 = 100)	78	81	2/ 80	85	2/ 87	2/ 88	1/ 94	
1/ Preliminary. 2/ Revised.								